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THE Wheat SITUATION

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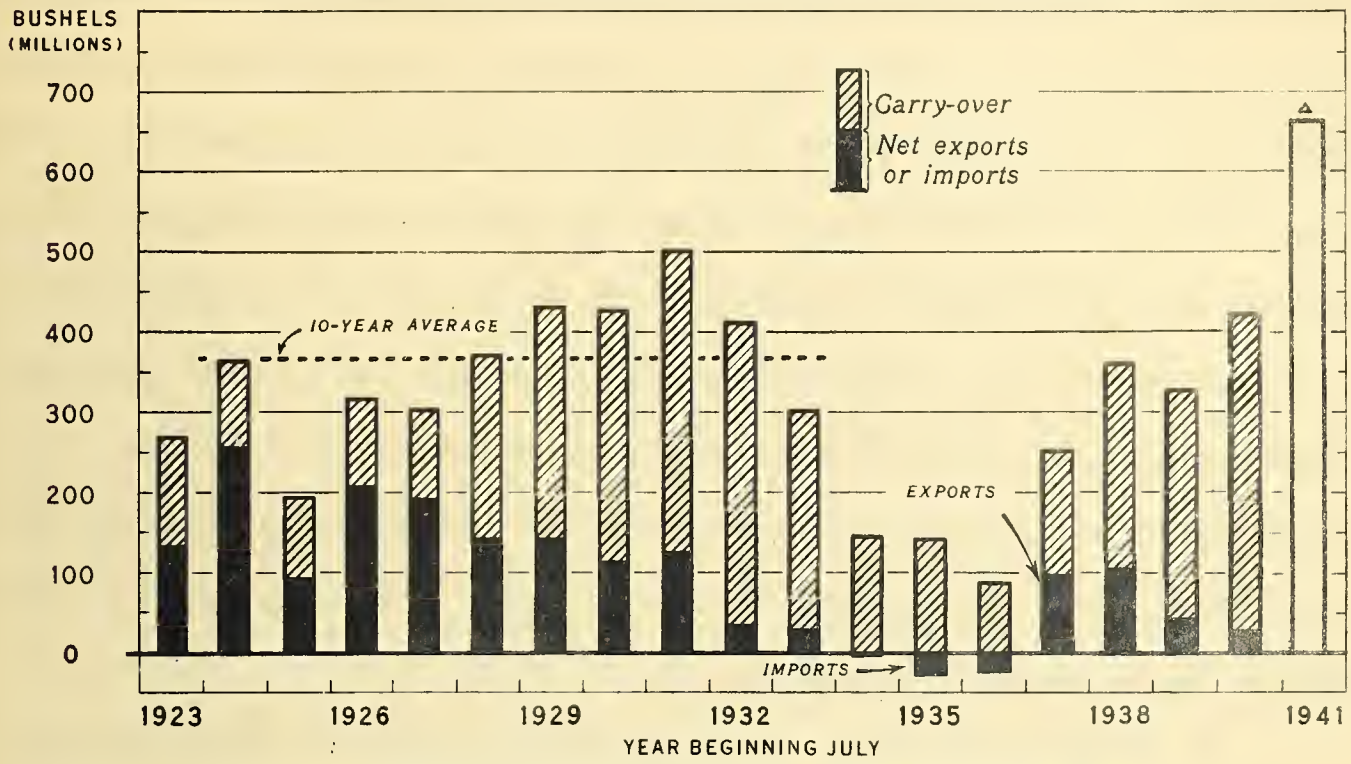
WHEAT SUPPLIES FOR EXPORT AND CARRY-OVER, UNITED STATES, 1923-41 *



* CARRY-OVER PLUS PRODUCTION LESS DOMESTIC UTILIZATION
△ PRELIMINARY

U. S DEPARTMENT OF AGRICULTURE NEG. 39389 BUREAU OF AGRICULTURAL ECONOMICS

THE PROSPECTIVE SUPPLY OF WHEAT AVAILABLE FOR EXPORT AND CARRY-OVER IN THE UNITED STATES IN 1941-42 IS THE LARGEST IN THE HISTORY OF THE COUNTRY, ABOUT 35 PERCENT LARGER THAN THE 10-YEAR (1924-33) AVERAGE. THE CARRY-IN OF ABOUT 400 MILLION BUSHELS OF OLD WHEAT ON JULY 1, 1941, IS THE LARGEST ON RECORD, REFLECTING THE ABOVE-AVERAGE 1940 CROP AND REDUCED EXPORTS. THE INDICATED CROP FOR 1941 IS THE FIFTH LARGEST ON RECORD.

THE ACTUAL FREE MARKET WHEAT IS MUCH LESS THAN THE CARRY-IN BECAUSE ABOUT HALF THE TOTAL IS HELD BY THE COMMODITY CREDIT CORPORATION OR IS STILL UNDER LOAN BY GROWERS. MUCH OF THE NEW CROP ALSO IS EXPECTED TO BE PLACED UNDER LOAN.

THE WHEAT SITUATION

Summary

The domestic wheat supply for the year beginning July 1, 1941 now seems likely to be between 1,325 and 1,350 million bushels, or almost 250 million bushels above the supply a year ago and almost 100 million bushels larger than the record high in 1931. The condition of the wheat crop on July 1 was interpreted by the Crop Reporting Board to indicate a probable outturn of about 924 million bushels (13 million bushels above the June 1 indication). The mid-July report indicated an increase over July 1 of 23 million bushels for spring wheat in Minnesota, North Dakota and South Dakota, and all wheat in Montana. Available data as to utilization of supplies of old wheat indicate a probable carry-over of nearly 400 million bushels. With domestic disappearance estimated at 653 million bushels (3 million bushels to United States territories) there would be between 675 and 700 million bushels available for exports and carry-over. This is over 250 million bushels above similar supplies in 1940-41.

Net exports in 1940-41 seem likely to be about 29 million bushels. If the war continues, exports are likely to be small again in 1941-42 and the carry-over July 1, 1942 increased substantially from the present level. However, if the seeded acreage in 1942 approximates the announced acreage allotment of 55 million acres (the minimum under the law), average yields would result in a crop of only about 660 million bushels. This is between 275 and 300 million bushels less than the indicated 1941 crop -- enough to offset the indicated increase in stocks this year. Since the 55-million-acre allotment minimum with normal yields will result in a crop about equal to domestic needs, above-normal reserves will continue a definite part of the United States

wheat situation unless the world situation again provides a considerably larger export market than at present, or yields turn out to be much below average.

Wheat prices in the United States remain considerably above export price levels. Moreover, protection has been provided against large imports by the establishment of import quotas on wheat and flour. Prices are considerably below the loan values, and this is resulting in a very strong tendency to hold wheat in storage. In the other years in which the loan program was in effect, prices at this time of the season were likewise considerably below the loan but later advanced to or above the levels established by the loan program. The price of domestic spring wheat at Buffalo is now about 7 cents below the price of Canadian wheat of comparable quality, c.i.f., duty paid at the same market.

World wheat production, excluding Soviet Russia and China and also excluding continental Europe, where overseas trade is restricted by the blockade, may be about 100 million bushels below the production of 2,770 million bushels in the same countries in 1940. On the other hand, an increase of around 125 million bushels is now indicated for continental Europe, which about offsets the decrease elsewhere, so that there is little net change compared with last year in the wheat prospects for the world, excluding Soviet Russia and China. Reductions in the crops in Canada and India are expected to more than offset increases in the United States and Australia.

Wheat supplies for export or carry-over in the four overseas exporting countries on July 1 are estimated at 1,033 million bushels, 323 million bushels more than a year earlier and an all-time record. Increases in stocks in these countries more than offset the indicated decrease in the 1941 crop of Canada and possibly Argentina.

-- July 25, 1941

THE DOMESTIC WHEAT SITUATION

BACKGROUND.- In the 10-year period 1930-39 the carry-over of old wheat in the United States averaged about 230 million bushels, and domestic disappearance about 695 million bushels.

Domestic wheat prices from the spring of 1933 to the spring of 1937 were unusually high in relation to world prices as the result of small crops in the United States. In 1937 United States production was large and prices declined. In 1938, with domestic production again large, with a record world crop, and with lower commodity prices generally, prices again declined, and would have averaged still lower had it not been for the loan and export-subsidy programs which held domestic prices above export parity.

Prices received by growers for wheat during the year beginning July 1939, averaging 69 cents, continued relatively high compared with the usual relationship to prices in other countries, as a result of only a moderately large carry-over, reduced acreage, poor prospects for 1940 yields, and holding of wheat in expectation of higher prices.

Prices advanced sharply in September 1939, following the outbreak of the European war, and again in December, influenced by war developments and by poor crop prospects in Argentina and the United States. In the middle of May 1940, following the turn of events in Europe, selling became heavy and most of the gains were lost. From the middle of May until the middle of August prices declined seasonally, then they advanced until the middle of November. After declining to the middle of February, they again rose, influenced by new legislation affecting the loan rates and are now at about the highest levels since May 1940.

The 1941 wheat loan rate, based on the July 1 parity price of wheat, represents an average national loan rate to farmers of approximately 98 cents per bushel. In 1938-39 the loan averaged 53 cents, in 1939-40 64 cents, and in 1940-41 65-1/2 cents. At important terminal markets the loan values for 1941 are as follows: No. 2 Hard Winter at Kansas City $1.10 and at Chicago $1.15, No. 2 Red Winter at St. Louis and at Chicago $1.15, No. 1 Dark Northern Spring at Minneapolis $1.15, and No. 1 Soft White at Portland $1.05.

Indicated United States wheat supply of record size

The domestic wheat supply for the year beginning July 1, 1941 now seems likely to be between 1,325 and 1,350 million bushels, or almost 250 million bushels above the supply a year ago and almost 100 million bushels larger than the record high in 1931. The condition of the wheat crop on July 1 was interpreted by the Crop Reporting Board to indicate a probable outturn of about 924 million bushels (13 million bushels above the June 1 indication). The mid-July report indicated an increase over July 1 of 23 million bushels for spring

wheat in Minnesota, North Dakota and all wheat in Montana. Available data as to utilization of supplies of old wheat indicate a probable carry-over of nearly 400 million bushels. With domestic disappearance estimated at 653 million bushels (3 million bushels to United States territories) there would be between 675 and 700 million bushels available for exports and carry-over. This is over 250 million bushels above similar supplies in 1940-41.

The official export figures are not yet available for June, but it appears that for the marketing year they will total about 32 million bushels. Imports, made up very largely of wheat "unfit for human consumption", will total about 3 million bushels, making net exports about 29 million bushels. Export prospects in 1941-42 are very uncertain. If the war continues it is expected that they will again be small. If they should total about the same as in 1940-41 on the basis of present supply prospects and estimated disappearance, the carry-over July 1, 1942 would be between 650 and 675 million bushels or between 250 and 275 million bushels above 1941. The increase in stocks this year, however, may be about offset by a decrease in the size of the 1942 crop so that total supplies in 1942-43 may be not greatly different from supplies in 1941-42. If the seeded acreage approximates the acreage allotment, announced May 22, of only 55 million acres (the minimum under the law), average yields (12 bushels per seeded acre) would result in a crop of only about 660 million bushels. This is between 275 and 300 million bushels less than the indicated 1941 crop.

Each year the acreage allotment is adjusted so that with the prospective carry-over it will provide wheat enough for normal domestic consumption, normal exports, and at least a 30-percent reserve. Since the 55-million-acre allotment-minimum is above the level necessary to provide this objective, above-normal reserves will continue a definite part of the United States wheat situation unless the world situation again provides a considerably larger export market than at present, or yields turn out to be much below average.

Production of winter wheat in 1941 was estimated at 682,321,000 bushels by the Crop Reporting Board on the basis of the July 1 report of condition and probable yield. This is the fifth largest winter wheat production of record, and is 16 percent above the 589,151,000 bushels a year ago, and 20 percent above the 10-year (1930-39) average of 569,417,000 bushels. This prospective production is being harvested on an estimated 40,316,000 acres, 3 percent above the 10-year average, with indicated yields of 16.9 bushels per acre, 17 percent above average.

The July 1 indication is a decline of approximately 15-1/3 million bushels from the June 1 production forecast. The decline was attributable to the excessive rains preceding and at harvesting time, which interfered with harvesting, lodged and damaged the grain, and caused deterioration in both yield and quality of the expected good crop in some of the Southwestern hard red winter wheat States, particularly in Texas, Oklahoma, and southern Kansas. The decline in production prospects in this area more than offset the increased production indicated in the soft red winter wheat States and in the Northwest where substantially higher yields on July 1 resulted from the generally favorable moisture conditions in those areas during June.

The harvested acreage of winter wheat, estimated at 40,316,000 acres, compares with 36,147,000 acres harvested in 1940 and with the 10-year average of 39,141,000 acres. Larger harvested acreages of winter wheat were realized in most of the Great Plains hard red winter wheat States (excepting Nebraska), in the Pacific Northwest, and in the most important soft red winter wheat States, with the exception of Missouri. In the Great Plains States, where moisture conditions and prospects through the spring were the best in several years, the rains in some places continued too long and became excessive. There was some additional abandonment of acreage after it was mature or nearly so, as a result of lodging of the grain and of fields too wet to harvest at the right time; also some losses in limited areas were due to hail and insect damage. Stem rust developed in some places, although the infestation was not widespread, and in general it occurred too late to cause serious damage. The loss of acreage from stem rust probably was less important than its effect in lowering yield and quality of the grain. The increase in harvested acreage of winter wheat in the Pacific Northwest was a result of the shift from spring to winter wheat seedings under the favorable conditions for seeding last fall, and growing conditions so favorable that there was practically no abandonment of winter wheat acreage.

Yield per harvested acre of winter wheat is estimated at 16.9 bushels compared with 16.3 bushels last year and the 10-year average of 14.4 bushels. The yield this year is the highest since the 19.0-bushel yield in 1931 and the third highest on record, taking into account the 1914 yield of 18.5 bushels. The yield estimated July 1 was four-tenths of a bushel lower than was estimated on June 1, as a result of the decline in yield prospects in the Southwest. However, the decline in yields there was balanced to some extent by the higher yield prospects elsewhere.

All spring wheat production (including durum) in 1941 was indicated at 241,292,000 bushels by the Crop Reporting Board on the basis of July 1 condition. This is 6 percent larger than the 227,547,000 bushels produced in 1940, and 35 percent larger than the 10-year (1930-39) average, during which period yields were below normal because of adverse conditions. Better than average yields are in prospect both in the Northern hard spring wheat States and in the Western white wheat States. The indicated production of durum wheat is 38,754,000 bushels, or about 4 million bushels above last year's production of 34,776,000 bushels, even though the acreage in all durum States was materially reduced from last year. This production is 40 percent above the 10-year average of 27,598,000 bushels. The unusually good condition for wheat this spring in the durum States, particularly in North Dakota, which leads in durum wheat production, is evident in the indicated harvested yield of 14.7 bushels per acre. The yield in 1940 was 11.1 bushels, and the 10-year average is 9.3 bushels. This year's high yield has not been equaled since 1924, when there was a record harvested yield of 16.0 bushels per acre. The indicated production of other spring wheat is estimated at 241,292,000 bushels, considerably above the production last year of 227,547,000 bushels, and more than a third larger than the 10-year average of 178,090,000 bushels. The increased production is mainly due to yields considerably higher than average as a result of favorable growing weather throughout the spring in all of the principal spring wheat States.

The seeded acreage of all spring wheat is estimated at 17,232,000 acres. This is a decline of 7 percent from the 1940 plantings of 18,547,000 acres. This year's lower planted acreage resulted very largely from the shift from spring to winter wheat acreage in the principal Western States that grow both, since these States lowered their spring wheat plantings 21 percent or approximately a million acres, while the decrease was only 2 percent or only a little more than a quarter of a million acres in the North Central hard red spring wheat States. The seeded acreage of durum wheat is estimated at 2,777,000 acres or 80.9 percent of the 3,431,000 acres seeded in 1940. The sharp drop in the seeded acreage of durum in the three States where it is grown is attributed to the relatively lower yields and lower prices realized last year. On the other hand, the seeded acreage of other spring wheat, estimated at 14,455,000 acres, is 95.6 percent of the 1940 seeded acreage of 15,116,000 acres. It is important to note, however, that there is an increase of 3.7 percent in seeded other spring wheat acreage in the North Central States, dominated by the 7-percent increase in North Dakota.

The acreage of all spring wheat for harvest is estimated at 16,467,000 acres. This acreage is 5 percent under the 17,356,000 acres harvested in 1940, and slightly less than the 10-year average of 16,742,000 acres. There is a 15-percent decline in the acreage of durum wheat for harvest, from 3,121,000 acres in 1940 to 2,640,000 acres this year, which is below the 10-year average of 2,786,000 acres. There is much smaller decline in the acreage of other spring wheat for harvest, however, which for the United States shows a decline from 14,235,000 in 1940 to 13,827,000 acres this year, or 2.9 percent. The 1941 acreage is less than 1 percent below the 10-year average of 13,956,000 acres. Although spring wheat plantings were down sharply in the Northwestern States, a harvested acreage of other spring wheat larger than last year is estimated for the North Central hard red spring wheat States. In that area the planted acreage was larger and there is less abandonment than usual as a result of the good rains in the Dakotas.

A mid-July crop report issued by the Crop Reporting Board indicated an increase of 23,428,000 bushels compared with the July 1 indications for spring wheat in Minnesota, North Dakota and South Dakota, and all wheat in Montana. Indications for States other than these four were not reported.

Carry-over stocks on July 1, 1941 are still tentatively estimated at 395 million bushels, on the basis of available data as to the utilization and supplies of old wheat. This estimate includes about 175 million bushels held by the Commodity Credit Corporation and about 12 million bushels by the Crop Insurance Corporation.

Stocks of old wheat on farms July 1 were estimated at 89 million bushels and in cities (tentatively) at 143 million bushels, making a total of 232 million bushels for these two items. This compares with 167 million bushels for the same items a year earlier. The customary estimate of total carry-over stocks includes, in addition to these two items, estimates of stocks in country elevators and mills (available July 25) and estimates of stocks in merchant mills and elevators (available in early August). These will be published in the August issue of "The Wheat Situation".

Stocks of old wheat ON FARMS on July 1 estimated at 39,097,000 bushels compare with 83,146,000 bushels in the same position July 1 a year ago, and 10-year average July farm stocks of 59,691,000 bushels. Although farm stocks on April 1 this year were the largest April 1 stocks since these records began in 1926, disappearance from farms in the period between April 1 and July 1 this year has been relatively heavy. As a consequence this year's July 1 farm stocks are only moderately higher than a year ago, and are slightly lower than 2 years ago. Disappearance of wheat from farms for the quarter ended July 1 this year was 106,658,000 bushels compared with 70,630,000 bushels during the same quarter last year.

Domestic wheat prices continue at high levels

Domestic wheat prices are about the same as prices a month ago, and only slightly below June 27 when they were the highest since May 1940. There has been a tendency for prices to advance influenced by the bulk of new wheat being held off the market by the loan program and by strength in speculative commodities generally. However, in mid-July prices weakened some, reflecting the congested condition in terminal markets in the winter wheat harvest area and heavy receipts of old wheat in the spring wheat area.

Wheat prices in the United States remain considerably above export price levels. The price of domestic spring wheat at Buffalo is now about 7 cents below the price of Canadian wheat of comparable quality, c.i.f., duty paid, at the same market, and in early July was within a cent. Ordinarily, prices would not rise this high without causing fear of large imports, which would tend to check further price advance. However, with the likelihood that the loan program in the United States would cause domestic prices to rise high enough relative to prices of foreign wheat so as to offset the 42-cent per bushel import duty, the President on May 28 proclaimed the establishments of import quotas on wheat and flour 1/.

Of the estimated 395 million bushels of old wheat carried over on July 1, 1941, about 175 million bushels are now in the Government pool, and 12 million bushels in insurance stocks, leaving about 208 million bushels not in Government hands. There were still about 35 million bushels of farm-stored wheat which is redeemable. This makes about 163 million bushels of old wheat free on July 1. With the market from 10 cents (No. 2 Red at St. Louis) to 20 cents (No. 1 Soft White at Portland) below the loan rates, however, there is a strong tendency to hold wheat off the market. This is indicated by the fact that about 85 percent of the wheat before July 15 at Kansas City was going into public storage. On July 15 the railroads operating through Kansas City placed an embargo on all grains shipped to that city for storage as a result of the small cash grain turn-over at that market. Similar action has been taken on grain into St. Louis and a few subterminals in Kansas, and on grain into Minneapolis. In the other years in which the loan program was in effect prices at this time of the season were considerably below loan values, but then later advanced to and above the levels established by the loan program.

1/ Statement in "The Wheat Situation," June 1941, pages 9-10.

Table 1.- Weighted average cash price of wheat, specified markets and dates, 1940-41

Month or date	All classes and grades six markets		No. 2 Hard Winter Kansas City		No. 1 Dk.N.Spring Minneapolis		No. 2 Hard Amber Durum Minneapolis		No. 2 Red Winter St. Louis		Soft White Portland 1/	
	1940	1941	1940	1941	1940	1941	1940	1941	1940	1941	1940	1941
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Crop year ended June 30	86.0	84.3	74.1	81.9	96.7	89.9	92.2	91.8	74.7	82.4	79.5	76.2
Month -												
Apr.	105.6	90.3	105.7	87.2	108.2	94.8	99.1	94.8	111.2	92.6	84.3	75.7
May	96.8	93.8	94.7	90.4	100.7	98.4	88.6	94.9	104.3	96.7	78.1	79.4
June	78.3	98.0	76.3	97.3	82.3	101.0	73.9	101.1	87.4	101.6	72.4	88.5
Week ended -												
June 7	80.7	94.4	80.1	92.7	84.5	97.6	74.1	98.4	88.4	96.0	72.2	83.9
14	79.6	99.0	79.5	97.7	83.8	102.1	74.5	100.7	88.5	101.1	73.3	89.6
21	77.8	96.6	76.4	93.9	81.3	100.5	72.0	99.5	---	100.5	72.2	88.8
28	76.3	100.1	74.6	98.2	81.0	103.6	74.0	103.4	82.0	102.5	72.2	90.7
July 5	73.8	99.6	72.5	98.3	80.5	102.2	79.2	101.5	77.1	102.4	72.8	89.2
12	72.2	100.6	70.3	99.2	80.4	103.7	79.8	101.9	75.8	104.4	72.9	88.1
19	71.3	97.2	68.1	96.8	78.5	98.8	76.4	99.2	75.2	102.9	74.1	84.3
High 2/	107.5	100.6	108.3	99.2	110.3	103.7	100.9	103.4	112.7	104.4	85.3	90.7
Low 2/	71.3	88.9	68.1	86.2	78.5	92.9	72.0	91.0	75.2	92.0	71.9	75.3

1/ Weekly average of daily cash quotations, basis No. 1 sacked.
2/ April 5 to July 19, 1941 and corresponding dates 1940.

THE WORLD WHEAT SITUATION

BACKGROUND.- Total world supplies of wheat, excluding Soviet Russia and China, increased sharply from 1924 to 1933, largely as a result of increased acreage. From 1934 to 1936, supplies declined, following successive years of small yields and increased world demand. Supplies increased slightly in 1937. With above-average yields on the large acreage, supplies in 1938, 1939, and 1940 were the largest on record, and prospects for 1941 are for another large crop.

World wheat prices declined in the period 1924-33 with the increase in world supplies. The sharp decline in prices after 1929 was caused largely by the general decline in industrial activity and commodity prices. From the spring of 1933 to the summer of 1937, world wheat prices moved upward, reflecting world-wide recovery in commodity price levels, currency depreciation, and reduced production. The world price for the 1937 crop remained practically unchanged from that of a year earlier. In 1938, world prices again declined sharply as a result of record world production and weakness in demand. Prices in 1939-40 remained low but averaged higher than a year earlier, in-

fluenced by general expectations of increased demand for wheat as a result of the war, and by poor crop prospects in Argentina and the United States. In 1940-41 large supplies in surplus countries and reduced trade held world wheat prices to low levels.

World wheat production, excluding continental Europe, Russia, and China may be 100 million bushels below 1940

World wheat production, excluding Soviet Russia and China and also excluding continental Europe, where trade is restricted by the blockade, may be about 100 million bushels below the 2,770 million bushels produced in the same countries in 1940. On the other hand, an increase of around 125 million bushels is now indicated for continental Europe, which about offsets the decrease elsewhere so there is little net change in prospect for the world excluding Soviet Russia and China.

Reductions in the crops in Canada and India are expected to more than offset increases in the United States and Australia. The Canadian crop is tentatively placed at between 275 to 300 million bushels on the basis of present weather conditions, or over 250 million bushels less than the large crop in 1940. Hot dry weather and strong winds have caused serious declines in crop prospects in Saskatchewan and Alberta during the past month. The crop in India is officially estimated at 372 million bushels, 25 million bushels below the estimate for the 1940 crop. The official estimate for the United States at 924 million bushels is 107 million bushels larger than a year ago. On the basis of present conditions and assuming average weather for the rest of the season, production in Argentina may be slightly less than the 271 million bushels last year, and that in Australia materially more than the abnormally small production in 1940.

In Argentina conditions during the past month continued favorable for seeding, and indications are now that any acreage reduction will be small. Early sown grain is doing well, but late sown is in need of rain. In Australia rains in late June resulted in increased seeding activity, and it now seems likely that any reduction in that country will be only moderate. There have been no recent rains of importance and conditions remain dry for the most part.

The 1941 wheat crop of the Orient is now placed slightly above that of 1940. Available information indicates a slight increase this year in China, which more than offsets adverse conditions and reduced yields reported for Japan and Manchuria. The Japanese 1941 wheat crop is officially forecast at 58,096,000 bushels compared with 66,134,000 bushels in 1940. It is generally believed, however, that the actual harvest will be smaller than this official figure. The second estimate for India is placed at 372,176,000 bushels, compared with the revised second estimate last year of 397,264,000 bushels, and the final estimate last year, still to be revised, of 403 million bushels. The crop in parts of India is below earlier expectations and it is likely there will be little surplus for export.

Present crop prospects in continental Europe indicate a production of about 1,370 million bushels. This would be larger than the very small crop of about 1,245 million bushels produced last year but still below the 10-year

(1931-40) average of 1,509 million bushels. Prospects have improved generally during the past month, although yields are still expected to be below average in most countries. In the Danubian countries, except Bulgaria, conditions have been mostly below average. Reports are particularly unfavorable for Hungary, where there is expected to be little, if any, surplus. In Turkey a moderate wheat surplus is likely. The Italian crop has been estimated at 268 million bushels, the same as last year. Yields in Spain are reported as only moderate, though above a year ago. In Soviet Russia harvesting in the West and South is now under way. Some reports indicate that harvesting is being hampered by war operations and damage in some areas is expected to be significant. Prospects in the Ukraine have been reported as good.

Wheat supplies in exporting countries at record height

Wheat supplies for export or carry-over in the four overseas exporting countries on July 1 are estimated at about 1,083 million bushels, an all-time record (table 2). Stocks in Canada and the United States are at record heights and those in Argentina are second only to those in 1939. Increases in stocks in these countries more than offset the indicated decrease in the 1941 crops of Canada and possibly Argentina.

Table 2.- Estimated wheat surplus for export or carry-over in four important exporting countries, July 1, 1938-41 1/

Position	1938	1939	1940	1941
	Million bushels	Million bushels	Million bushels	Million bushels
United States 2/	153	252	282	395
Canada	31	110	299	498
Australia	47	46	117	3/ 60
Argentina	60	222	62	130
Total	291	630	760	1,083

1/ Carry-over at the beginning of the year (United States, July 1; Canada August 1; Argentina, January 1; Australia, December 1 of the previous year) plus production minus domestic utilization for the year, minus monthly exports to date, last month for United States, Australia, and Argentina estimated.
2/ Old crop, not adding new crop which is becoming available at July 1.
3/ Based on official exports through February 1940, and unofficial estimates for succeeding months.

International wheat meeting being held

At the invitation of the Government of the United States, officials of five Governments are meeting in Washington to discuss the outlook with respect

to the wheat situation and international trade in wheat, and consider what steps might be recommended to the various Governments with regard to the mounting wheat surplus problem. Delegates are present from Argentina, Australia, Canada and the United Kingdom. The meetings started July 10.

Winnipeg market active; Buenos Aires little change

During the past month trading activity was revived in Winnipeg, with prices fluctuating over a range of several cents. From mid-April through June prices had remained at about pegged levels. The revival of activity was made possible by the lowering of the minimum price on the July future from 77-1/2 cents to 70 cents (70.5 cents to 63.6 cents in United States funds) and the establishment of trading in the October future with a minimum price of 70 cents. The action was taken by the Grain Exchange at the request of the Canadian Wheat Board in order to facilitate a more orderly adjustment to the 70-cent early season price for the new crop wheat. October futures are currently about 7 to 8 cents over the minimum, and for a short time were 9 cents over. A continuance of a significant difference, which would be likely to result in heavy sales through the open market instead of to the Wheat Board, is partly dependent on the size of the crop and the volume of offerings during any particular period.

Prices at Buenos Aires have continued to remain at about pegged levels. Prices of near futures at Buenos Aires and Winnipeg, together with prices in Chicago, Kansas City, and Minneapolis are shown in table 3.

Table 3.- Average closing price of September wheat futures, specified markets and dates, 1940-41

Period	Winnipeg 1/		Buenos Aires		Chicago		Kansas City		Minneapolis	
	1940	1941	1940 2/	1941	1940	1941	1940	1941	1940	1941
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Month -										
Apr.	84.7	---	---	---	106.9	89.9	102.0	82.6	103.4	89.0
May	76.0	---	---	---	93.6	97.0	89.1	89.2	91.9	94.6
June	68.5	---	---	---	79.8	102.7	74.8	94.8	78.0	99.0
Week ended -										
June 7	70.2	---	---	55.5	81.1	99.7	76.4	92.0	79.9	97.2
14	69.2	---	70.0	55.3	81.3	103.2	76.8	95.1	79.8	99.6
21	67.4	---	70.6	54.8	78.6	101.9	73.6	93.5	76.5	98.1
28	66.9	---	73.0	56.4	77.6	105.6	71.8	98.2	75.5	100.9
July 5	66.9	67.9	75.0	56.9	77.0	105.1	70.9	97.3	76.8	99.7
12	66.9	70.9	74.1	56.3	74.8	106.9	69.2	99.4	74.4	101.7
19	66.9	70.7	74.9	55.4	74.4	104.4	68.7	97.2	73.4	99.0
High 3/	85.4	70.9	75.0	56.9	109.4	106.9	104.6	99.4	105.5	101.7
Low 3/	66.9	67.9	70.0	54.8	74.4	88.2	68.7	80.8	73.4	87.2

1/ Conversions at official rate, which is 90.909 cents. Any United States buyer of Canadian grain would be required to make settlement in terms of United States dollars through an agent of the Canadian Foreign Exchange Control Board at the official rate. Oct. futures.
2/ August futures, 1940.
3/ Apr. 5 to July 19, 1941, and corresponding dates, 1940.

Table 4.- Supplies of wheat for export and carry-over, United States, 1923-41

(Data used in figure on cover page)

Year beginning July	Carry-in	New crop	Total supply	Domestic disappearance: Continental United States 1/	Domestic disappearance: Shipments 2/	Domestic disappearance: Total	Carry-over	Net exports	Carry-over plus net exports
	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.	1,000 bu.
1923	132,312	759,482	891,794	620,306	2,973	623,279	137,087	131,428	268,515
1924	137,087	841,617	978,704	612,768	2,871	615,639	108,401	254,664	363,065
1925	108,401	668,700	777,101	581,265	2,741	584,006	100,225	92,870	193,095
1926	100,225	832,213	932,438	613,916	3,082	616,998	109,506	205,934	315,440
1927	109,506	875,059	984,565	678,462	2,692	681,154	112,372	191,039	303,411
1928	112,372	914,373	1,026,745	654,071	3,172	657,243	228,373	141,129	369,502
1929	228,373	823,217	1,051,590	619,427	2,983	622,410	288,879	140,301	429,180
1930	288,879	886,470	1,175,349	747,137	2,850	749,987	313,288	112,074	425,362
1931	313,288	941,674	1,254,962	753,842	2,757	756,599	375,473	122,890	498,363
1932	375,473	756,927	1,132,400	719,582	3,023	722,605	377,939	31,856	409,795
1933	377,939	551,683	929,622	627,092	2,779	629,871	274,306	25,445	299,751
1934	274,306	526,393	800,699	656,246	2,783	659,029	146,708	4/- 5,038	141,670
1935	146,708	626,344	773,052	658,885	2,889	661,774	141,688	4/-30,410	111,278
1936	141,688	626,766	768,454	688,169	2,996	691,165	3/102,477	4/-25,188	77,289
1937	3/ 82,802	875,676	958,478	703,017	3,321	706,338	152,714	99,426	252,140
1938	152,714	931,702	1,084,416	722,993	2,888	725,881	252,160	106,375	358,535
1939	252,160	751,435	1,003,595	673,800	3,475	677,275	281,715	44,605	326,320
1940 5/	281,715	816,698	1,098,413	671,413	3,000	674,413	395,000	29,000	424,000
1941 5/	395,000	924,000	1,319,000	650,000	3,000	653,000			666,000

1/ Balancing item.
2/ Shipments are to Alaska, Hawaii, Puerto Rico and Virgin Islands.
3/ Beginning 1937, only old wheat in carry-over; prior to 1937, stocks include some new wheat.
4/ Net imports.
5/ Preliminary estimate.

Table 5.- Movement of wheat, including flour, from principal exporting countries, 1937-38 to 1940-41 1/

Country	Exports as given by official sources: Total 1937-38	Total 1938-39	Total 1939-40	July 1 to date shown 1938-39	July 1 to date shown 1939-40	July 1 to date shown 1940-41	Date
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	
United States 2/	107,194	115,784	54,274	108,987	52,439	37,949	May 31
Canada	94,546	159,885	210,212	159,885	210,212	209,553	June 30
Argentina	69,670	116,116	177,246	91,861	160,350	91,773	May 31

	Shipments as given by trade sources 3/: Total 1939-40	Total 1940-41	Week ended 1941 July 5	July 12	July 19	July 1-July 19 1940-41	1941-42
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America ..	209,872	221,087	6,964	6,593	5,012	10,062	18,569
Argentina	173,776	98,420	1,734	1,550	2,511	8,906	5,795
Total	383,648	319,507				18,968	24,364

1/ See June 1941 Wheat Situation for latest available figures for countries other (3) shown. 2/ Includes flour milled in bond from foreign wheat. 3/ From Broomhall's Corn Trade News and Chicago Daily Trade Bulletin.

INDEX OF SPECIAL SUBJECTS DISCUSSED IN THE WHEAT SITUATION

	Page	Issue
Special reviews and outlook statements		
The Wheat Situation, 1914 and 1939	1-13	Sept. 1939 WS-35
A review of wheat prices in 1939-40	24	Aug. 1940 WS-46
The wheat outlook for 1941-42	12-13	Aug. 1940 WS-46
The wheat outlook for 1941-42	3-7	Mar. 1941 WS-53
The nation's grain storage situation	14-15	May 1941 WS-55
World wheat supplies expected to be record	14	June 1941 WS-56
Farm income from wheat	10-11	Feb. 1940 WS-40
Farm income from wheat	8	Feb. 1941 WS-52
Government measures		
Wheat and rye loan rates in 1941	8	June 1941 WS-56
Marketing quota provisions of Public Law 74	9	June 1941 WS-56
United States wheat import quotas	9-10	June 1941 WS-56
National wheat allotment for 1942	10	June 1941 WS-56
Government measures in Australia	13	Nov. 1940 WS-49
Features of Canada's wheat policy in 1941	23	Aug. 1940 WS-46
Special analyses		
Analysis of the loan and export subsidy program in 1938-39	15	Sept. 1939 WS-35
Comparatively large U. S. wheat carry-over stocks	14-16	July 1940 WS-45

WHERE TO FIND STATISTICS ON THE WHEAT SITUATION NOT INCLUDED IN THIS ISSUE: 1/

	Page	Issue
THE DOMESTIC WHEAT SITUATION		
Supply and distribution		
All wheat, 1923-40	14	Mar. 1941 WS-53
Classes, July-June, 1929-39	5	Feb. 1941 WS-52
Classes, 1940	8	Mar. 1941 WS-53
Supplies for export and carry-over, 1923-39	6	Aug. 1940 WS-46
Acreage, yield, and production		
Acreage seeded by regions, 1919-40	15	Sept. 1940 WS-47
Production by classes, 1919-40	14	Dec. 1940 WS-50
Stocks		
January 1, 1935-41	4	Feb. 1941 WS-52
July 1, 1923-40	14	Mar. 1941 WS-53
Exports and imports		
Exports of wheat including flour to specified countries, 1910-39	27	Aug. 1940 WS-46
Imports into the United States, 1923-39	30	Aug. 1940 WS-46
Sales and income, and prices		
Production and farm disposition, 1909-40	16	May 1941 WS-55
Sales, price per bushel, and cash income, 1910-40	12	Feb. 1941 WS-52
Percentage monthly sales, average 1928-37, and annual 1928-39	15	Nov. 1940 WS-49
Average price received by farmers, 1908-40	13	Jan. 1941 WS-51
THE WORLD WHEAT SITUATION		
Supply and distribution		
1922-40	15	Mar. 1941 WS-53
1938-40	10	Mar. 1941 WS-53
Averages 1924-28, 1928-37, annual 1914, 1937	6	Sept. 1939 WS-35
Acreage and production		
Acreage of wheat, world and specified countries, 1909-40	17	June 1941 WS-56
Production of wheat, world and specified countries, 1909-40	18	June 1941 WS-56
Production by countries, 1937-40	8	Jan. 1941 WS-51
Stocks, July 1		
1922-40	7	Aug. 1940 WS-46
Major exporting countries, 1922-40	21	Mar. 1941 WS-53
International trade		
International trade in wheat including flour, averages 1925-34, annual 1937-39	16	Feb. 1941 WS-52
World shipments and to Europe and non-Europe, averages 1910-14, 1930-34, and annual 1914-16, 1937-38	7	Sept. 1939 WS-35

1/ Selected tables used most frequently.

STATISTICS ON THE RYE SITUATION IN "THE WHEAT SITUATION" JUNE 1941